

NOV 22 1974

PMIS

Honorable Jennings Randolph
Chairman, Committee on Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In accordance with the provisions of the Public Buildings Act of 1959, as amended, there is submitted for consideration by the Committee a prospectus which proposes the acquisition of space, under a lease arrangement, in a facility to be constructed for use as a Federal Executive Institute and Managerial Training Center, Civil Service Commission, at Charlottesville, Virginia.

The submission of this prospectus has been approved by the Office of Management and Budget in accordance with the provisions of Executive Order 9384, dated October 4, 1943.

Sincerely,

Arthur F. Sampson
Administrator

cc: Official File - PRP
3A, A(2), Research Asst.-A, AL, AD, ALC, ALCL,
B, L, LB, Copy Code-4, PR-Shipp, PD-Friedlander,
PFB-Pearson, PB-Campbell, PBI-Pavel,
PFB-Meyers, PFP-Melnik, PRPP-Penland
PN-Nixon, PRM-Whitlock, PRL-Gaskins,
PM-Harvell, PMC-Sorg, PMR-Kdiwell

PRP:EDSchwallenberg/eds 11-15-74 x. 38065

[Handwritten signatures and initials over routing slip]
PR Shipp 11/19/74 PM 11/19/74 LB 11/19/74 PFB 11/21
PF 11/21 PL 11/21 PD 11/21 PRL 11/21
B 11/21 L 11/21 ALC 11/21 *[Handwritten: OK, done]*
[Handwritten: Subj to deletion of ref to GSA on Chait #1]
[Handwritten: 11/21]

IDENTICAL LETTERS TO:

Honorable John A. Blatnik
Chairman, Committee on Public Works
House of Representatives
Washington, D.C. 20515

Honorable James O. Eastland
President pro tempore
United States Senate
Washington, D.C. 20510

Honorable Carl Albert
Speaker of the House of Representatives
Washington, D.C. 20515

(Except Eastland/Albert letters read
"we have submitted to the Committees on
Public Works of the Congress for their
consideration".... in first paragraph.)

COURTESY COPIES:

Mr. W. Todd Kite
General Manager
Construction Management Division
Real Estate and Buildings Department
United States Postal Service
Washington, D.C. 20260

Honorable Tom Steed
Chairman, Subcommittee on
Treasury, Postal Service and General
Government Committee on Appropriations
House of Representatives
Washington, D.C. 20515
ATTN: Mr. Aubrey A. Gunnels

Honorable Joseph M. Montoya
Chairman, Subcommittee on
Treasury, Postal Service and General
Government Committee on Appropriations
United States Senate
Washington, D.C. 20510
ATTN: Mr. Joe E. Gonzales

PROSPECTUS NUMBER: PVA-75011

- . . . provide approximately 66,480 square feet of joint use space consisting of an auditorium, a learning resource center, a multi-purpose recreational area, a health unit, a maintenance shop, and so on, none of which is available at the present leased facility.

2. COMPREHENSIVE PLAN:

a. PROJECT NEED:

The primary justification for this project is based on a current deficiency in available training space and an increase in demand for training space associated with the projected increases of both supergrade executives and mid-level managers and their training and development needs. The new facility will have a capacity of 225 participants, 140 in the FEI program and 85 in the MTC program.

Supergrade (GS-16 to 18) executives currently number 7,000 and are projected to increase at an annual rate of 1.5 percent in the last quarter of this century. In Fiscal Year 1973, with attrition and the increase in positions, there were 719 new supergrade executives. By Fiscal Year 1980 the new supergrade executives can be expected to number 860, 1,000 by 1990 and 1,225 by Fiscal Year 2000. The present FEI facility has a maximum capacity of 68 participants in each training session. There are a variety of training programs lasting from 2 1/2 days to seven weeks. The two major training programs are three weeks and seven weeks long and over a year can fully train only 544 participants. If the present capacity is not expanded, a deficiency of 56 percent in the training of new executives will result by Fiscal Year 2000. This does not include the backlog of supergrade executives who have never attended the FEI, expected to be 3,000 by Fiscal Year 1980. The new complex will have the capacity to train 140 participants in each training session. The two major executive training programs will be able to accommodate 1,120 participants annually. (See Chart #2) The continued increase in executives entering GS-16-18 positions necessitates a corresponding increase in the training capabilities of the FEI if the charge of Executive Order 11348, the Presidential authorization for this type of training is to be carried out. On signing this Executive Order (April 20, 1967), the President directed the Chairman of the Civil Service Commission to establish a center for advanced study for upper echelon career executives.

In addition to the new supergrade manager population, however, there are other categories which are expected to contribute substantially to the FEI student potential, including the backlog of supergrade managers who have never attended the FEI, state and local Government managers, FEI

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alumni for whom "booster shot" training is desirable, and the increasing number of managers among women and minority groups.

A new MTC (GS-14-15 and high potential GS-13) is needed to fulfill two requirements. First, present provisions for interagency residential managerial training are insufficient. Managers currently number about 58,000 at Grades GS-13 through GS-15 and are projected to increase at an annual rate of 1.5 percent in the last quarter of this century. In Fiscal Year 1973, with attrition and the increase in positions, there were approximately 3,250 new managers and about 2,750 advancing managers. In Fiscal Year 1980, the new managers can be expected to number 3,590, 4,200 in 1990, and 4,850 in Fiscal Year 2000.

The present interagency residential facilities can accommodate less than 2,100 managers annually. Thus, the current capacity does not meet even half the needs generated by the present turnover, let alone have the capacity for the interagency residential training needs of incumbent managers. The proposed facility will have a capacity of 85 participants in each training session, and with approximately 17 training sessions per year 1,445 managers can be accommodated. Although the proposed facility in concert with the existing MTC's, will aid in meeting the demands for training, even more of a training capacity is necessary and will be sought before the proposed facility is ready. (See Chart #2).

Second, there is a need for a mid-level MTC near Washington, DC. The nearest interagency residential MTC is in Kings Point, New York, a distance of about 250 miles, yet almost 35 percent or about 21,000 of the mid-level managers are located in the Washington, DC area.

The collocation of the new mid-level MTC and the expanded FEI is proposed for the following reasons:

- 1) The program flexibility available in a facility of this size
- 2) The saving available through sharing of administrative services, physical facilities and some sharing of faculty and part-time professional resources
- 3) The operational economics of providing services (heat, electricity and so on) to one complex of buildings rather than two separate sites.

The location of the project is proposed on the grounds of the University of Virginia for the following reasons: First, the facility will be adjacent to a high-quality, prestigious, professional school campus composed of the Graduate School of Business, the Law School, and the Judge Advocate General's School, all of which complement Federal

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programs to be conducted at the facility. Second, other library and faculty resources are readily available to enrich training programs at the facility, with complete access to research and general libraries of the University, and with well-established interchange arrangements for faculty utilization. Third, support services of the University are available to participants in training programs, including complete services of the School of Medicine and guidance of physical therapy and health experts. Fourth, cultural activities of the University are open to participants, including lectures, theater, music, and visual arts. Finally, the University is willing and able to finance and construct the facility and to lease it to the Government without profit, land costs, or property taxes in the annual rental rate.

b. DISCUSSION OF ALTERNATIVES:

1) Utilization of existing Government-owned buildings

Existing Government-owned buildings are the Federal Office Building (FOB); the Department of the Army Reserve Training Center Facility; and the Post Office and Courthouse Building. The requirements for the training facility are based in part on the type of educational atmosphere the Civil Service Commission wants to create. These unique requirements coupled with the size of the facility preclude consideration of modification and expansion of any of the existing Government-owned buildings.

2) Acquisition of existing leased space

Existing rental space is not available in sufficient quantity in one location to permit expansion and collocation and fails to meet the unique requirements of the training facility.

3) Expansion of the existing leased facility

The Thomas Jefferson Inn constructed in 1952 is on a limited site of 8.3 acres, which could accommodate the proposed increase in square footage and facilities. However, the density of the complex would be the antithesis of the type of development the Civil Service Commission believes is necessary for the education program of the FEI-MTC. Any proposed addition would also require extensive modification to the existing structure in order to incorporate new technology and systems. The property is located in an area zoned B-1 (Business) an inappropriate location for the low scale land intensive educational type of complex required. For these reasons, expansion of the existing leased facility is not considered feasible.

4) Acquisition of space in a Government-owned building to be constructed

Because of the unique nature of the space, the necessary ties with the University of Virginia, the advantages of the lease agreement with the

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University, and the proposed location of the facility on the grounds of the University, direct Federal construction is not the best alternative.

- 5) Acquisition of leased space in a building to be constructed by a private developer

Since the University will not include any taxes, profit, or land cost in the annual rental rate and since financing will be significantly less for a bond issue than for conventional financing, leasing of a building to be constructed by a private developer is not the best alternative.

- 6) Acquisition of leased space in a building to be constructed by the University of Virginia

A present value analysis comparing direct Federal construction and leasing of a building to be constructed by a private developer with leasing of a building to be constructed by the University of Virginia has been prepared (Exhibit B). The analysis indicates that acquisition of leased space in a building to be constructed by the University of Virginia is significantly less costly than either direct Federal construction or acquisition of leased space in a building to be constructed by a private developer.

3. ESTIMATED MAXIMUM COST:

	<u>Sq. Ft.</u>	<u>Annual Cost</u>
Estimated net annual rental.....	196,000	\$1,856,000
Estimated value of lessors services.....		554,000
Estimated value of services and utilities paid by the Government.....		0
Estimated total annual cost.....		<u>\$2,410,000</u>

4. CURRENT HOUSING COST:

For agencies to be housed in the proposed leased space.

	<u>Sq. Ft.</u>	<u>Annual Cost</u>
Net Annual Rental.....	40,115	\$ 118,715
Value of Lessors Services		\$ 164,285
Value of Services and Utilities paid by the Government		\$ 17,925
Total Annual Cost		<u>\$300,925</u>

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5. SPACE PLAN:

The relocation of the FEI to leased space on the grounds of the University of Virginia will permit the expansion of the FEI and collocation of a new mid-level MTC. The lease for the Thomas Jefferson Inn will be cancelled. Since the space being requested is of such a special nature, no other Federal agencies will be affected by this proposal. The plan for housing Federal activities in Charlottesville, (Exhibit A) and the current leasing situation (Exhibit B) are attached.

6. STATEMENT OF NEED:

It has been determined that (a) the need for space cannot be met by utilization of existing property owned by the Government, (b) suitable rental space is not available that meets the unique requirements of this training facility, and (c) it is unfeasible to modify and expand the existing facility.

NOV 22 1974

Submitted at Washington, DC on _____

Recommended: _____

Acting Commissioner, Public Buildings Service

Approved: _____

Administrator of General Services Administration

CHART #1
SPACE REQUIREMENTS FEI-MTC*

JOINT USE SPACE

<u>Type of Space</u>	<u>Square Footage</u>
Auditorium (Capacity 400)	6,000
Learning Resource Center	8,750
Multi-Purpose Recreational	20,150
Laundry	1,200
Building Operational Space	6,770
Health Unit	200
Kitchen Dining	9,910
Maintenance/Shop	2,500
Utility Plant	<u>11,000</u>
Sub-total	66,480

FEDERAL EXECUTIVE INSTITUTE

<u>Type of Space</u>	<u>Square Footage</u>
Living/Study (146 units)	43,800
Lounges	5,400
Training Rooms	8,250
Seminar Rooms	10,800
Assembly Area	2,850
Faculty/Administrative Offices	<u>8,350</u>
Sub-total	79,450

MANAGERIAL TRAINING CENTER

<u>Type of Space</u>	<u>Square Footage</u>
Living/Study (94 units)	28,200
Lounges	3,825
Training Rooms	7,000
Breakout Rooms	3,600
Assembly Rooms	1,900
Faculty/Administrative Offices	<u>4,930</u>
Sub-total	49,455

Total Space Requirements 195,385

Additional Requirements--

Outdoor Recreation	14,000
Roads/Parking	77,500

*Source: Federal Executive Institute and Managerial Training Center
 Program and Space Requirements, Office Services Division,
 Bureau of Management Services.

CHART #2

PRESENT AND PROPOSED TRAINING CAPACITYFEI CAPACITY4 three-week training programs and
4 seven-week training programs annually

Fiscal Year

1980
(No.=860) 1/ 1990
(No.=1000) 2000
(No.=1225)Present FEI capacity
(68 bedrooms: 544 participants annually)

63% 54% 44%

Proposed FEI capacity
*(140 bedrooms: 1120 participants annually)130% 2/ 112% 91%MANAGERIAL TRAINING CENTERS36 training sessions with 40 participants
16 training sessions with 36 participants

Fiscal Year

1980
(No.=4170) 3/ 1990
(No.=4475) 2000
(No.=4750)Present Managerial Training Centers
(116 bedrooms: 2016 participants annually)

48% 45% 42%

Proposed Managerial Training Centers
*(85 + 116 bedrooms: 3461 participants annually)

83% 77% 73%

Notes: 1/ No.= The number of new people at this level, the sum of replacements and new positions2/ The additional capacity will be used for; obtaining a desirable "mix" in the training programs by adding minorities and women; participation of State and Local Executives; and the elimination of the backlog of Executives who have never attended the FEI, estimated to be 3000 by 1980.3/ No.= The number of Mid-level Managers the CSC believes it should have the capability to train. Currently defined as one-half the number of new managers and advancing managers plus 1000 of the incumbent managers who have never received training.Source: Managerial and Executive Development Needs in the Federal Service and Recommended Actions for Meeting the Needs, U.S. Civil Service Commission, October 1972.

* The number of bedrooms shown on this chart for the proposed facility represents only those intended for course participants. The remaining 15 bedrooms listed in the space requirements (Chart #1) and not included here, are intended for use by visiting faculty and guest lecturers.

PERCENT OF NEW SUPERGRAD² EXECUTIVES TRAINEDPERCENT OF MID-LEVEL MANAGERS TRAINED

EXHIBIT A
CHARLOTTESVILLE, VIRGINIACOMPREHENSIVE HOUSING PLAN
(As of July 24, 1974)

Department or Agency	Present Housing (Occupiable Sq. Ft.)				Proposed Housing (Occupiable Sq. Ft.)				
	Total	Personnel	Govt. Owned	Leased	Total	Personnel	*Retained C/O	**Retained Leased	Proposed Project
U.S. Courts	4,166	5	4,166	-	4,166	5	4,166	-	-
U.S. Atty/Mar.	252	-	252	-	252	-	252	-	-
Agriculture	4,990	29	2,915	2,075	4,990	29	2,915	2,705	-
Civil Service Commission	40,115	26	-	40,115	195,385	99	-	-	195,385
Congressional	511	2	511	-	511	2	511	-	-
Defense	79,489	580	70,705	8,784	79,489	580	70,705	8,784	-
General Services Administration	4,670	3	4,670	-	4,670	3	4,670	-	-
Health, Education, & Welfare	8,598	19	3,905	4,693	8,598	19	3,905	4,693	-
Interior	1,635	11	-	1,635	1,635	11	-	1,635	-
Justice	705	5	-	705	705	5	-	705	-
Selective Service System	384	1	-	384	384	1	-	384	-
Treasury	2,209	15	360	1,849	2,209	15	360	1,849	-
General Purpose Space	147,724	696	87,484	60,240	302,994	759	87,484	20,125	195,385
Special Purpose and/or Location	13,750	10	-	13,750	13,750	10	-	13,750	-
Assigned Space	161,474	706	87,484	73,990	316,744	769	87,484	33,875	195,385

AS OF PROPOSED PROJECT:	Square Feet	Personnel
Agency Space	170,275	89
Service Areas:	11,310	
Health Unit	200	
Laundry	1,700	
Kitchen/Dining	9,910	
Other	1/	
Custodial	13,800	
Total Assigned Space	195,385	89
Leased to be Replaced	40,115	
Agency Expansion	155,270	
Total Occupiable Square Feet	195,385	89
ROUNDED	196,000	

1/SEE CHART No. 1 (SPACE REQUIREMENTS FEI-MTC)

*Retained C/O Buildings	
Identity	Sq. Ft.
General Purpose:	
Federal Building	78,590
Post Office & Courthouse	8,894
Total	87,484

**Retained Leased	
General Purpose:	Sq. Ft.
Agriculture:	
APMIS	1,300
FHA	775
Defense:	
Army	5,384
DCA	493
DCS	342
DOI Recruiting	2,565
HEW:	
SS/	4,693
Interior:	
Geological Survey	1,018
Bureau of Mines	617
Justice:	
FBI	705
Selective Service System	384
Treasury:	
IRS	1,849
Total	20,125
Special Purpose and/or Location:	
Commerce	
SBA	3,850
Defense	
Army	3,500
EPA	5,800
GSA	600
Total	13,750

EXHIBIT B
FEDERAL EXECUTIVE INSTITUTE AND
MANAGERIAL TRAINING CENTER
CHARLOTTESVILLE, VIRGINIA

SUPPORT DATA

I. PRESENT VALUE COST SUMMARIES FOR ALTERNATIVE METHODS OF ACQUISITION:
(in thousands of dollars)

Item	30 Years 7%
PURCHASE:*	
Improvements.....	\$17,775
Site, design, etc.	2,696
Repair and Improvement.....	1,351
Property taxes.....	7,107
Subtotal.....	\$28,929
Less residual value.....	-1,772
Total.....	<u>\$27,157</u>
LEASE (Private Developer):*	
Total annual payments**.....	<u>\$29,838</u>
LEASE (University of Virginia):*	
Total annual payments**.....	<u>\$17,159</u>
PURCHASE CONTRACT*	
Annual payments**.....	\$17,640
Repair and Improvement.....	1,351
Property taxes.....	7,107
Subtotal.....	\$26,098
Less residual value.....	-1,772
Total.....	<u>\$24,326</u>

*Operation and maintenance costs are borne by the Government and are assumed to be identical for all four acquisition methods. Therefore, they are omitted in this comparison. Imputed insurance premiums are estimated to be negligible relative to other costs and therefore omitted.

**Analysis includes the application of a deflator to each annual payment thereby showing payments in constant dollars based on the initial annual payment. Then, each constant dollar payment is discounted at 7 percent.

II. LEASED DATA AS OF JULY 24, 1974

LEASED LOCATION & AGENCY	TYPE OF SPACE	SQ. FT.	ANNUAL COST	QUALITY RATING	LEASE EXPIRES	CANCELLATION	DISPOSITION
<u>Current Housing to Proposed Project:</u>							
Thomas Jefferson Inn Route 29 North			\$300,925	68	9-30-80	90 days after 9-30-78	Cancel
Civil Service Commission Federal Executive Institute	Special	40,115					
SUBTOTAL		40,115	\$300,925				
<u>Current Housing to Remain:</u>							
Allied Realty Building 1710 Allied Street			\$ 1,575	87	6-27-76	30 days	Retain
DOD Defense Contract Audit Agency	Office	493					
Citizens Commonwealth 300 Preston Ave.			7,291	94	2-28-77	60 days after 3- 1-75	Retain
Dept. HEW SSA Bureau Hearing Appeal	Office	1,488					
Earhart Building 2007 Earhart Ave.			1,625	88	6-30-74	30 days	Retain
DCAS	Office	342					
Metropolitan Building 1936 Arlington Blvd.			8,175	94	7-30-76	90 days	Retain
Dept. of Interior Geological Survey Bureau of Mines	Office Office	1,018 617					
Plant & Facilities Building and Cross Training Center Midmont Lane			6,775	94	1-31-75	60 days	Retain
Dept. of Commerce SBA	Storage	3,850					
401 South Street Army Foreign Ser. Tech. Center GSA-PBS	Storage Storage	3,500 600	4,380	90	9-10-79	Firm 30 days after 9-10-77	Retain
1140 River Road EPA	Special	5,800	17,700	90	6-14-75	60 days after 6-14-75	Retain
1928 Arlington Blvd. DOD Army Corps of Engineers	Office	5,384	26,920	93	12-31-75	Ext. from 1-1-73	Retain
1932 Arlington Blvd. DOD DOD Recruiting Dept. of Justice FBI Selective Service System Dept. of Agriculture FHA Dept. of Agriculture APHIS	Office Office Office Office Office Office Office	2,565 705 384 775 1,300	28,645	80	5-31-77	90 days	Retain.
2138-40 Barracks Road Dept. of HEW SSA	Office	3,205	20,216	96	10-31-75	Extension from 11-1-72	Retain
Dept. of Treasury IRS	Office	1,849			11-30-75	90 days	
SUBTOTAL		33,875	\$123,302				
TOTAL		73,990	\$424,227				

III. PRESENT AGENCY LOCATIONS - AS OF JULY 24, 1974

EXHIBIT B (con't)
Charlottesville, Virginia

GOVERNMENT OWNED

1. FOB, 220 7th St. NE
2. USPO & CT, 2nd & Market

LEASED

3. Allied Realty Bldg, 1710 Allied St.
4. Citizens Commonwealth, 300 Preston Ave.
5. Earhart Bldg, 2007 Earhart St.
6. Metro Bldg, 1936 Arlington Blvd.
7. Plant & Fac. Bldg, Red Cross Trn. Ctr. Midmont Lane
8. Thomas Jefferson Inn, Rt. 29N
9. 401 South St.
10. 1140 River Road
11. 1928 Arlington Blvd.
12. 1932 Arlington Blvd.
13. 2138-40 Barracks Road

PROPOSED LEASE

14. FBI-MTC U of Va Grounds

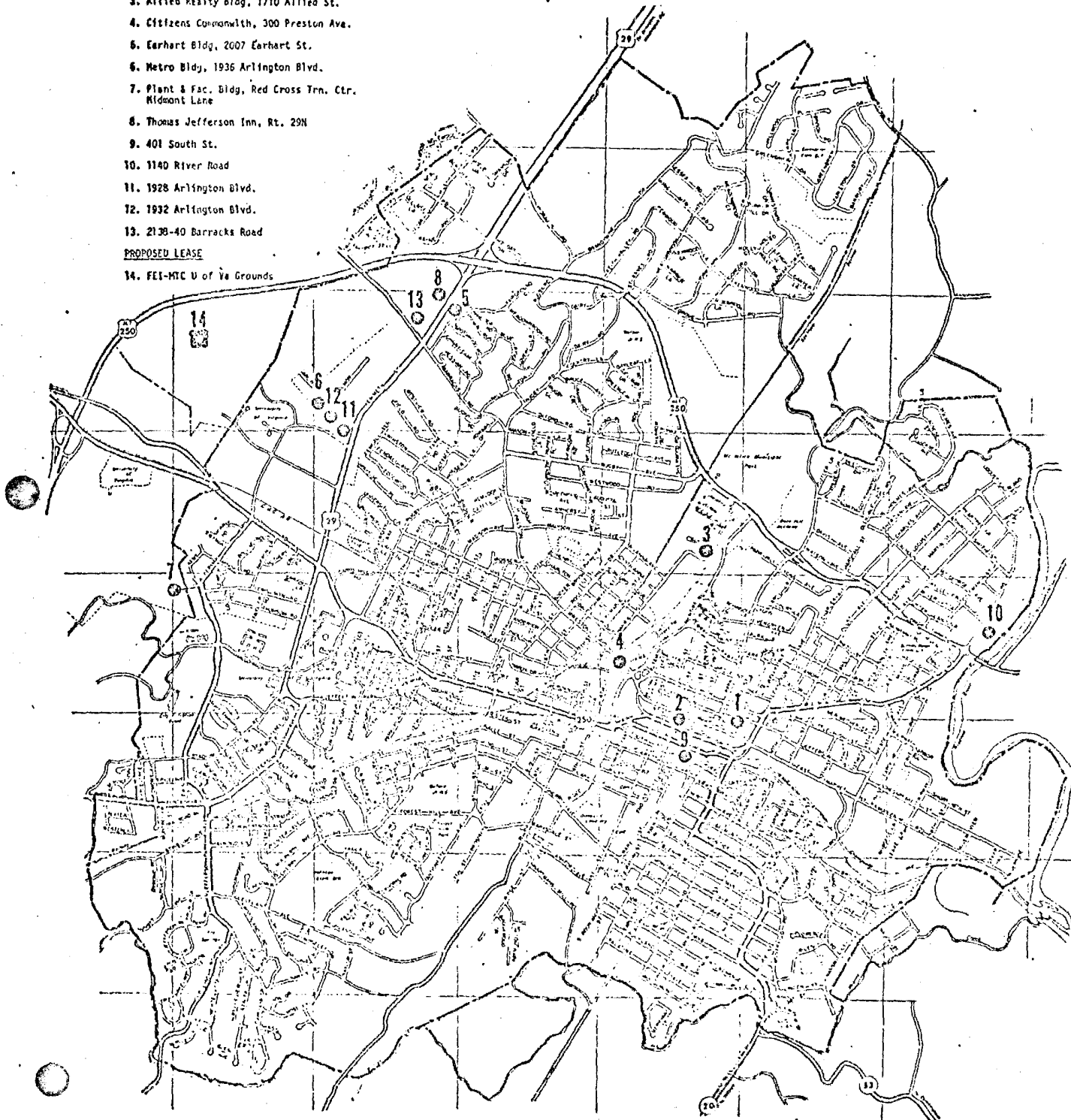


EXHIBIT B (cont'd)

CHARLOTTESVILLE, VA
PROSPECTUS NUMBER: PVA-75011

IV. PLANNING COORDINATION

As required by the Intergovernmental Cooperation Act of 1968 (P.L. 90-577) and Executive Order 11512, the development of this project will be coordinated with the Federal, State and local agencies. There are no local or regional plans for the site since it is on the grounds of the University of Virginia and the University does its own planning. The project is compatible with the University's Master Plan of March 1973, which designates this site for future academic and related insititutes and open space. With the increase in employment and students, there will be a minor positive impact on the local community's development and economy. The relocation and expansion of the FEI and the collocation of the mid-level Training Center will facilitate the training of Federal executives, thereby increasing the capabilities of mid and senior level management in the Federal Government. The relocation would also free a parcel of land currently under-utilized as a low density educational facility for use in accordance with its business zoning.

V. PARKING

The zoning regulations for the City of Charlottesville for University type buildings require one off-street parking space for each 8 seats in the main auditorium or three parking spaces for each classroom, whichever is greater. This would equate to approximately 84 spaces.

The University of Virginia, for the Duke-Copeley Hill area which is adjacent to the proposed site of the FEI-MIC, provides parking for 60 percent of the students, 80 percent of the staff, and one visitor space for each 30 faculty/staff. This would equate to approximately 210 spaces;; however, because of the number of participants coming from the Washington, DC area, about 250 spaces will be provided.

The 250 parking spaces planned for the project would be utilized as follows:

Government-owned and visiting faculty	10
Visitors and service vehicles	8
Staff	64
Students	168
	<u>250</u>

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University, and the proposed location of the facility on the grounds of the University, direct Federal construction is not the best alternative.

- 5) Acquisition of leased space in a building to be constructed by a private developer

Since the University will not include any taxes, profit, or land cost in the annual rental rate and since financing will be significantly less for a bond issue than for conventional financing, leasing of a building to be constructed by a private developer is not the best alternative.

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3. ESTIMATED MAXIMUM COST:

	<u>Sq. Ft.</u>	<u>Annual Cost</u>
Estimated net annual rental.....	196,000	\$1,856,000
Estimated value of lessors services.....		554,000
Estimated value of services and utilities paid by the Government.....		0
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4. CURRENT HOUSING COST:

For agencies to be housed in the proposed leased space.

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